



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
Washington, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

{Insert Date Here}

{Name of Taxpayer or Business}
{Address }

Dear:

The IRS routinely reviews Form 1099-B, *Proceeds From Broker and Barter Exchange Transactions*. Bartering exchanges are required to file Form 1099-B for each person who exchanged property or services through a barter exchange including payments to corporations. Generally, Code Section 6045 and Treasury Regulation 1.6045-1(e)-(k) require that bartering exchanges file Form 1099-B with limited exceptions. The Form 1099-B reflects the gross amounts received by each member of the exchange, which includes cash received, the fair market value (FMV) of goods and services received, and the FMV of trade credits or bartering dollars credited to the member's account.

We are sending this letter to Exchanges who may be required to file Form 1099-B. Please consider this information and review your filing requirements. If you are not required to file, no further action is required. However, if you are required to file, we suggest you contact your tax professional.

You may obtain general information and answers to questions about filing information returns by visiting your local IRS office, by viewing our website at www.irs.gov, or calling 1-866-455-7438. Publication 1220, *Specifications for Filing Forms 1098, 1099, 5498 and W-2G Magnetically or Electronically*, contains detailed information regarding information filing requirements. To obtain a copy of Publication 1220, you may call 1-800-829-3676, or visit us on the web at www.irs.gov.

The IRS encourages you to file electronically. Electronic submissions are filed using the File Information Returns Electronically (FIRE) System, which operates 24 hours a day, 7 days a week. You may access FIRE by calling 304-262-2400 or go to www.irs.gov.

Our resources represent our strong commitment to help small businesses navigate towards success. To accomplish our goal, we partner with industry leaders to reach small and home based entrepreneurs. Let us show you and your members this new way of doing business

For further details on any of our resources, please contact Karen Mayr, Chief Electronic Business, on (202)283-0015, or e-mail e-smallbiz@irs.gov.

Sincerely,

Bobby Hunt
Director, Taxpayer Education and Communication